HOLNAM INC.

GeoTechnical Services Department 4629 N. Overland Trail, Bldg. A P.O. Box 1468 LaPorte, CO 80535-1468



Date 10-8-01

To:

Mr. Tom Munson, State of Utah Department of Natural Resources Division of Oil, Gas and Mining 1594 West North Temple Suite 1210 Box 145801 Salt Lake City, UT 84114-5801

801-538-5291 801-359-3940fax



Subject: Exploration Release - E-45-132 - Skull Valley, Utah

Dear Tom,

Please release Holnam from its Exploration Permit for diatomaceous earth (E-45-132) and replace it with Holnam's SMO Permit application S-45060.

If you have any questions, please advise.

Thank you,

Tom Newman Sr. Geologist

CC:

Roy Stienmier – Holnam Chief Geologist
Dave Nelson – Holnam Attorney
Todd Richards – Holnam Legal Corporate Counsel
Chester Goodson – Holnam Devil's Slide Plant Manager
Chris Robinson – CRLL